

# **AMERICA CAN DO BETTER THAN THE FISCAL IRRESPONSIBILITY AND WRONG VALUES OF THE MAJORITY'S BUDGET PACKAGE**

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## **Key Points:**

- **This budget package doesn't reduce the deficit – it increases the deficit by \$20 billion.**
- **Together, America can do better than an immoral budget that pays for \$70 billion in tax cuts targeted to the wealthy by harming those who need help the most – from hurricane victims to children to seniors to rural Americans.**
- **The budget bill cuts vital services for working families – including drastically raising the costs of student loans, cutting health care for our poorest children, throwing working families off food stamps, and dramatically reducing the child support upon which single parents depend.**

Today, the House will consider the Majority's Budget Reconciliation bill. The reconciliation bill includes about \$50 billion in mandatory spending cuts – including a wide range of programs including student loans and Medicaid .

**This budget package actually increases the budget deficit.** The Majority is calling this bill “The Deficit Reduction Act” and yet the reconciliation package actually increases the deficit by \$20 billion. All of the spending cuts in the package in such vital programs as student loans and health care are not being used to reduce the deficit – instead they are being used to help pay for a second reconciliation bill containing \$70 billion in tax cuts that will soon be considered by the House. The leadership is trying to confuse the public by delaying the \$70 billion tax cut reconciliation bill for a few weeks. However, the net result of the \$50 billion in spending cuts in this bill and the \$70 billion in tax cuts will be an increase in the deficit of \$20 billion.

**Together, America can do better than an immoral budget.** The budget package will pay for the \$70 billion in tax cuts targeted to the wealthy by harming those who need our help the most. Like earlier tax cuts, the \$70 billion tax cut bill will once again mostly benefit the wealthy. The Bush tax cuts of 2001 and 2003 now provide millionaires with an average tax cut of \$103,000 a year and the new bill will continue this trend.

**The Majority's budget slashes vital services for working families.** While cutting taxes for the wealthiest Americans, this package is cutting vital services upon which working families depend, including the following:

- **Nearly \$9 billion of \$11.9 billion Medicaid cut falls directly on enrollees.** The nonpartisan Congressional Budget Office has estimated that most of the Medicaid cuts are achieved by requiring Medicaid enrollees to pay substantially more for

the health care they need – including requiring the poorest children for the first time to pay copayments for prescription drugs and emergency room care.

- **Nearly \$8 billion of \$14.3 student loan cut falls directly on students and parents.** CBO has estimated that under this bill there are nearly \$8 billion in new charges to students and families that will raise the cost of student loans. The costs to the average student borrower will be increased by \$5,800.
- **The Majority's bill will result in \$24.1 billion in reduced child support collections.** CBO has estimated that the bill will lead to \$24.1 billion in reduced child support collections upon which hundreds of thousands of struggling single parents rely, pushing more children into poverty and letting deadbeat dads off the hook.
- **The Majority's bill will throw about 300,000 Americans off food stamps.** CBO estimated that the bill's provision denying food stamp categorical eligibility receiving TANF non-cash assistance will throw 225,000 Americans off food stamps. CBO estimates that the bill's restrictions on food stamps for legal immigrants, even with the small changes made by the self-executing rule, will – after two years – result in 70,000 legal immigrants being thrown off food stamps.
- **The Majority's bill will throw 40,000 children out of the school lunch program.** CBO has also estimated that the bill will cause 40,000 children to be thrown out of the school lunch program, as a result of their families being thrown off food stamps.